

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF KENTUCKY-OHIO GAS COMPANY)	
FOR APPROVAL OF A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY TO CONSTRUCT)	CASE NO. 93-144
PIPELINE FACILITIES, APPROVAL OF)	
FINANCING AND APPROVAL OF SPECIAL)	
CONTRACT)	

O R D E R

IT IS ORDERED that Kentucky-Ohio Gas Company ("KOG") shall file the original and seven copies of the following information with the Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. The information requested herein is due within 5 days of the date of this Order. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and

include a date by which the information will be furnished. Such motion will be considered by the Commission.

1. Provide a detailed incremental and total regulated company income statement in accordance with the Uniform System of Accounts for gas utilities showing the effects of the proposed integration line on both the revenues and expenses of KOG. For each special contract customer, detail separately the sales in Mcfs and dollars expected to be generated as a direct result of this project and identify customers that can be served their gas requirements through the existing KOG system.

2. Based on the total company information provided in response to Question 1 above, provide an analysis that shows what rates KOG would have to charge to become a going concern, i.e., show a positive net income.

3. Explain in detail why KOG proposes to finance this project with virtually 100 percent debt when the business plan filed in Case No. 91-138¹ anticipates that this project will be financed with \$1,000,000 in equity and \$400,000 in debt.

4. Provide any additional evidence KOG deems appropriate to support the economic feasibility of this project.

5. Update the status of KOG's efforts to secure a loan from any other sources. Include copies of all correspondence KOG has received from potential lenders regarding this project as well as notes from any oral communications.

¹ Case No. 91-138, Columbia Gas of Kentucky vs. Kentucky-Ohio Gas Company.

6. Refer to KOG's "Discussion of the Project's Economic Benefits" filed on August 4, 1993 in response to concerns raised by Staff at an Informal Conference held July 30, 1993. On page 2, KOG lists certain revenues and related margins in support of its application. For each amount shown in items 1 through 4, state whether these are additional sales or a mixture of additional and existing sales or existing sales only. Furthermore, state how many of these customers' sales depend on construction of the integration line.

7. Provide copies of gas transportation agreements and their amendments with Columbia Gas Transmission Company and Tennessee Gas Transmission Company.

8. Provide the purchased gas cost for KOG's major gas suppliers for the last 5 years.

Done at Frankfort, Kentucky, this 16th day of August, 1993.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director